

10/02

NOLA 180 D/B/A
LANGSTON HUGHES ACADEMY CHARTER SCHOOL
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2011 AND 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **FEB 01 2012**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
NOLA 180 d/b/a Langston Hughes Academy
Charter School
New Orleans, Louisiana

We have audited the accompanying statements of financial position of NOLA 180 d/b/a Langston Hughes Academy Charter School (a nonprofit organization) as of June 30, 2011 and 2010, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NOLA 180 d/b/a Langston Hughes Academy Charter School as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards* we have also issued our report dated December 30, 2011, on our consideration of NOLA 180 d/b/a Langston Hughes Academy Charter School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

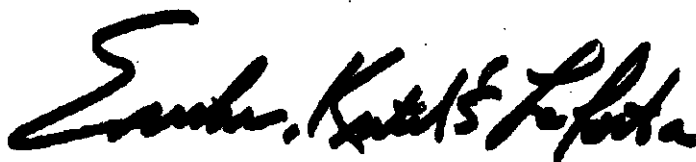
ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
NOLA 180 d/b/a Langston Hughes Academy
Charter School
December 30, 2011

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

December 30, 2011

A large, stylized handwritten signature in black ink, likely belonging to a partner or principal of the firm, is positioned above the title. The signature is cursive and somewhat difficult to decipher but appears to read "Erickson Krentel & LaPorte".

Certified Public Accountants

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2011 AND 2010

ASSETS

	<u>2011</u>	<u>2010</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 255,069	\$ 248,309
Contributions receivable	50,273	-
Grants receivable	133,517	317,712
Other receivables	215,540	1,560
Deposits	15,139	15,139
Prepaid expenses	<u>7,662</u>	<u>-</u>
 Total current assets	 <u>677,200</u>	 <u>582,720</u>
 <u>EQUIPMENT, NET</u>	 <u>121,657</u>	 <u>97,267</u>
 Total assets	 <u><u>\$ 798,857</u></u>	 <u><u>\$ 679,987</u></u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable and accrued expenses	\$ 452,485	\$ 235,152
Capital lease payable - current	<u>-</u>	<u>1,221</u>
 Total current liabilities	 <u>452,485</u>	 <u>236,373</u>
 Total liabilities	 <u>452,485</u>	 <u>236,373</u>
 <u>NET ASSETS:</u>		
Unrestricted	321,358	373,127
Temporarily restricted	<u>25,014</u>	<u>70,487</u>
 Total net assets	 <u>346,372</u>	 <u>443,614</u>
 Total liabilities and net assets	 <u><u>\$ 798,857</u></u>	 <u><u>\$ 679,987</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Total
<u>REVENUE AND SUPPORT:</u>			
Grants:			
Federal and state	\$ 1,077,594	\$ -	\$ 1,077,594
Minimum foundation program	4,582,063	-	4,582,063
Other revenue	319,492	6,000	325,492
Revenue from local sources	21,640	-	21,640
Net assets released from restrictions	51,473	(51,473)	-
	<u>6,052,262</u>	<u>(45,473)</u>	<u>6,006,789</u>
Total revenue and support			
<u>EXPENSES:</u>			
Personnel:			
Instructional salaries	2,112,238	-	2,112,238
Non-instructional salaries	822,422	-	822,422
	<u>2,934,660</u>	<u>-</u>	<u>2,934,660</u>
Other expenses:			
Administrative	807,980	-	807,980
Benefits	504,636	-	504,636
Facility, equipment, and maintenance	220,388	-	220,388
Textbooks and supplies	307,371	-	307,371
Student transportation	583,927	-	583,927
Child nutrition	352,512	-	352,512
Travel	5,730	-	5,730
Depreciation	55,935	-	55,935
Interest	1,092	-	1,092
Insurance	45,924	-	45,924
Utilities	180,570	-	180,570
Student activities	87,352	-	87,352
Miscellaneous	15,954	-	15,954
Loss from misappropriation	-	-	-
	<u>3,169,371</u>	<u>-</u>	<u>3,169,371</u>
Total supporting services			
Total expenses	<u>6,104,031</u>	<u>-</u>	<u>6,104,031</u>
Change in net assets	(51,769)	(45,473)	(97,242)
Net assets at beginning of year	373,127	70,487	443,614
Net assets at end of year	<u>\$ 321,358</u>	<u>\$ 25,014</u>	<u>\$ 346,372</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUE AND SUPPORT:</u>			
Grants:			
Federal and state	\$ 924,399	\$ 88,928	\$ 1,013,327
Minimum foundation program	3,637,305	-	3,637,305
Other revenue	521,306	192,750	714,056
Revenue from local sources	-	-	-
Net assets released from restrictions	476,389	(476,389)	-
	<u>5,559,399</u>	<u>(194,711)</u>	<u>5,364,688</u>
Total revenue and support			
<u>EXPENSES:</u>			
Personnel:			
Instructional salaries	1,865,259	-	1,865,259
Non-instructional salaries	919,103	-	919,103
	<u>2,784,362</u>	<u>-</u>	<u>2,784,362</u>
Other expenses:			
Administrative	367,245	-	367,245
Benefits	466,674	-	466,674
Facility, equipment, and maintenance	213,858	-	213,858
Textbooks and supplies	248,063	-	248,063
Student transportation	622,428	-	622,428
Child nutrition	31,038	-	31,038
Travel	10,099	-	10,099
Depreciation	53,050	-	53,050
Interest	1,010	-	1,010
Insurance	52,121	-	52,121
Utilities	165,228	-	165,228
Student activities	26,214	-	26,214
Miscellaneous	8,395	-	8,395
Loss from misappropriation	251,814	-	251,814
	<u>2,517,237</u>	<u>-</u>	<u>2,517,237</u>
Total supporting services			
	<u>5,301,599</u>	<u>-</u>	<u>5,301,599</u>
Total expenses			
Change in net assets	257,800	(194,711)	63,089
Net assets at beginning of year	115,327	265,198	380,525
Net assets at end of year	<u>\$ 373,127</u>	<u>\$ 70,487</u>	<u>\$ 443,614</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (97,242)	\$ 63,089
Adjustments to reconcile change in net assets to cash from (used for) operating activities:		
Depreciation	55,935	53,050
(Increase) decrease in:		
Contributions receivables	(50,273)	20,600
Grants receivable	184,195	(174,614)
Other receivables	(213,980)	(1,560)
Deposits	-	4,431
Prepaid expenses	(7,662)	-
Increase (decrease) in:		
Accounts payable and accrued expenses	217,333	109,058
Net cash from operating activities	<u>88,306</u>	<u>74,054</u>
<u>CASH FLOWS (USED FOR) INVESTING ACTIVITIES:</u>		
Capital expenditures	<u>(80,325)</u>	<u>(135,000)</u>
Net cash (used for) investing activities	<u>(80,325)</u>	<u>(135,000)</u>
<u>CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:</u>		
Proceeds from note payable	-	300,000
Principal payments on note payable	-	(450,000)
Principal payments on capital lease	<u>(1,221)</u>	<u>(7,209)</u>
Net cash (used for) financing activities	<u>(1,221)</u>	<u>(157,209)</u>
Net increase (decrease) in cash and cash equivalents	6,760	(218,155)
Cash and cash equivalents, beginning of year	<u>248,309</u>	<u>466,464</u>
Cash and cash equivalents, end of year	<u>\$ 255,069</u>	<u>\$ 248,309</u>
<u>SUPPLEMENTAL CASH FLOW DISCLOSURES:</u>		
Cash paid for interest	<u>\$ 1,092</u>	<u>\$ 1,010</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

NOLA 180 d/b/a Langston Hughes Academy Charter School (the School), incorporated on November 6, 2006, is an educational institution organized to turn around a failing school by providing improved educational opportunities to prepare students for the New Orleans' selective admission public and private high schools.

The Recovery School District (RSD) and the Board of Elementary and Secondary Education (BESE) approved the granting of a charter to the School effective June 1, 2007 for a period ending on June 1, 2012, to operate a Type 5 Charter School, as defined in LA R.S. 17:3996. The School commenced operations with the 2007-2008 school year.

Basis of Accounting

The School prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Cash and Cash equivalents

For the purposes of the statements of cash flows, the School considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-210-45 *Not-for-Profit Entities—Balance Sheet Presentation*. Under FASB ASC 958-210-45, the School is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the net assets of the School and changes therein are classified and reported as follows:

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Statement Presentation (Continued)

- **Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations.
- **Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that will be met either by actions of the School and/or the passage of time.
- **Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or removed by actions of the School pursuant to those stipulations.

Contributions and Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

The School reports contributions of cash or other assets as restricted support if they are received with donor imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished. As restrictions are met, assets are reclassified to unrestricted net assets and reported as net assets released from restrictions in the statement of activities. Contributions that are restricted by the donors are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the contributions are recognized.

Revenues from federal and state grants are recorded when the school has a right to reimbursement under the related grant, generally corresponding to the incurring of grant related costs by the School, or when otherwise earned under the terms of the grants.

Contributed Services

The School receives a substantial amount of donated services from unpaid volunteers who assist in carrying out the School's mission. No amounts have been reflected in the statements for donated services because they did not meet the criteria for recognition under generally accepted accounting principles.

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

The land, building and building improvements used to operate the school are owned by the Orleans Parish School Board (OPSB) and, as such, are recorded on the financial statements of the OPSB. The OPSB also provides the School with furniture and equipment that are also recorded on the OPSB's financial statements and not reported by the School. The School only reports its direct purchases of furniture and equipment. The School has adopted the practice of capitalizing all expenditures for depreciable assets where the unit costs exceed \$5,000. Property is recorded at cost or at fair value for donated assets. Depreciation of these assets is provided on the straight-line basis over their estimated useful lives of 3 to 10 years.

Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in Note 7. Accordingly, certain costs have been allocated among the instructional and supporting services benefited.

Tax Exempt Status

The School is a not-for-profit organization exempt from federal income taxes under Internal Revenue Service Code Section 501(c)(3) and the Louisiana Revised Statutes; therefore, no provision has been made for federal and state income taxes.

The School's evaluation as of June 30, 2011 revealed no tax positions that would have a material impact on the financial statements. The 2007 through 2010 tax years remain subject to examination by the IRS. The School does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Statement of Cash Flows

For purposes of cash flows, the School considers all unrestricted cash and cash in bank to be cash and cash equivalents.

Subsequent Events

Subsequent events have been evaluated through December 30, 2011, which is the date the financial statements were available to be issued.

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

(2) CONTRIBUTIONS RECEIVABLE

At June 30, 2011, the School has contributions receivable in less than one year of \$50,273. There were no such receivables at June 30, 2010.

(3) EQUIPMENT

Equipment at June 30, 2011 and 2010 consists of the following:

	<u>2011</u>	<u>2010</u>
Furniture and fixtures	\$ 7,338	\$ 7,338
Leasehold improvements	80,325	-
Computer and copier equipment	<u>156,948</u>	<u>156,948</u>
Total cost	244,611	164,286
Less: accumulated depreciation	<u>(122,954)</u>	<u>(67,019)</u>
Property and equipment, net	<u>\$ 121,657</u>	<u>\$ 97,267</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$55,935 and \$53,050, respectively.

(4) CAPITAL LEASE

During the year ended June 30, 2008, the School entered into a capital lease arrangement to purchase copier equipment valued at \$20,919. As of June 30, 2010, the remaining book value of the equipment and the capital lease payable were \$1,221. The contract expired in August 2010, and was paid in full.

(6) TEMPORARILY RESTRICTED NET ASSETS

For the years ended June 30, 2011 and 2010, \$25,014 and \$70,487 of temporarily restricted net assets are subject to specific use restrictions, respectively.

Use restrictions for temporarily restricted net assets are as follows:

	<u>2011</u>	<u>2010</u>
Specific instructional activities	\$ -	\$ 50,487
Leadership transition	20,000	20,000
General instructional activities	-	-
Musical instruments	<u>5,014</u>	<u>-</u>
	<u>\$ 25,014</u>	<u>\$ 70,487</u>

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

(7) FUNCTIONAL ALLOCATION OF EXPENSES

Expenses have been reported in the statements of activities by natural classification. The School presents functional classifications of expenses charged to program services. Instructional programs represent management's estimate of expenses that can be directly allocated to supporting class room and teaching activities and programs. Supporting services include those expenses related to the administrative operations, including accounting and administrative functions and those expenses related to student services, including transportation, nutrition and uniforms.

Total expenses for the year ended June 30, 2011 and 2010, respectively, are as follows:

	<u>2011</u>	<u>2010</u>
Program services:		
Instructional services	\$ 2,914,710	\$ 2,567,209
Supporting services:		
Administrative services	2,114,388	1,756,612
Student services	1,074,933	725,964
Loss from misappropriation	<u>-</u>	<u>251,814</u>
Total expenses	<u>\$ 6,104,031</u>	<u>\$ 5,301,599</u>

(8) CREDIT RISK CONCENTRATION

The School has cash balances at several financial institutions. Cash accounts at each financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Effective October 2008, the FDIC's temporary Transaction Guarantee Program provides depositors with unlimited coverage for non-interest bearing transaction accounts at participating FDIC insured institutions. The unlimited coverage is temporary and will remain in effect through December 31, 2012. Therefore, there were no uninsured portions of cash at June 30, 2011 and 2010.

(9) SCHOOL PROPERTIES

On June 16, 2008, the School entered into an agreement with the Recovery School District (RSD), which allows the School to use the facilities and its contents located at 3519 Trafalgar Street, or any other locations that may be approved by the School and the RSD. Prior to June 30, 2009, the School operated out of a temporary location provided by the RSD located at 4621 Canal Street under similar terms. The 3519 Trafalgar Street location consisted of temporary modular buildings. A new facility, which is located adjacent to the Trafalgar site, opened for the 2009-2010 School Year. The School is responsible for all necessary maintenance to ensure that the facilities comply with all state and local health and safety standards and other applicable laws, regulations and rules.

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011 AND 2010

(9) **SCHOOL PROPERTIES (CONTINUED)**

Use of the property, including fixtures, furniture and equipment provided by the RSD is not recorded as an in-kind contribution. Current lease terms do not require rental payments from the School to the Recovery School District, but the RSD reserves the right to amend the agreement to charge rent in the future, if so desired.

(10) **LOSS FROM MISAPPROPRIATION**

During the year ended June 30, 2009, the School incurred a loss through misappropriation of cash estimated at \$421,858. During the year ended June 30, 2010, from the period July 1, 2009 through November 30, 2009, additional estimated losses of \$251,814 were discovered. During the year ended June 30, 2010, the School received \$300,000 from an insurance claim filed by the School to recover the losses. This was the maximum amount of coverage under the fidelity bond and is included in other revenues.

(11) **TAX DEFERRED ANNUITY PLAN**

The School has a tax-deferred annuity plan qualified under Section 403(b) of the Internal Revenue Code. The plan covers full-time employees of the School. The School does not make any contributions to the plan. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code if they wish.

(12) **RECLASSIFICATIONS**

Certain reclassifications have been made to prior year amounts to conform with current year presentations.

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Education</u>		
Improving Literacy Through School Libraries	84.364	\$ 72,214
Pass-through program from:		
Louisiana Department of Education		
Title I Grants to Local Educational Agencies	84.010	436,039 *
Special Education - Grants to States (IDEA Part B)	84.027	129,296
ARRA - Education Jobs Fund	84.410	84,162
Safe and Drug Free Schools and Communities - State Grants		
Title IV	84.186	<u>3,803</u>
Total U.S. Department of Education		<u>725,514</u>
<u>U.S. Department of Agriculture</u>		
Pass-through program from:		
FirstLine Schools		
Summer Food Service Program for Children	10.559	9,401 *
National School Lunch Program	10.555	<u>305,780 *</u>
Total U.S. Department of Agriculture		<u>315,181</u>
Total		<u>\$ 1,040,695</u>

*** Major Program**

Note: The schedule of expenditures of federal awards is a summary of the activity of NOLA 180 d/b/a Langston Hughes Academy Charter School's federal award programs presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(See Auditors' Report)

ERICKSEN KRENTEL & LA PORTE L.L.P.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board Members of
NOLA 180 d/b/a Langston Hughes Academy
Charter School
New Orleans, Louisiana

We have audited the financial statements of NOLA 180 d/b/a Langston Hughes Academy Charter School (the School) as of and for the year ended June 30, 2011, and have issued our report thereon dated December 30, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board Members of
NOLA 180 d/b/a Langston Hughes Academy
Charter School
December 30, 2011

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of NOLA 180 d/b/a Langston Hughes Academy Charter School in a separate letter dated December 30, 2011.

This report is intended for the information of management and the Board of Directors, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 30, 2011



Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board Members of
NOLA 180 d/b/a Langston Hughes Academy
Charter School
New Orleans, Louisiana

Compliance

We have audited NOLA 180 d/b/a Langston Hughes Academy Charter School's (the School) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School's major federal programs for the year ended June 30, 2011. The School's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School's management. Our responsibility is to express an opinion on the School's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School's compliance with those requirements.

In our opinion, NOLA 180 d/b/a Langston Hughes Academy Charter School complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

To the Board Members of
NOLA 180 d/b/a Langston Hughes Academy
Charter School
December 30, 2011

Internal Control Over Compliance

Management of the School is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of NOLA 180 d/b/a Langston Hughes Academy Charter School's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management and the board of directors, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 30, 2011


Certified Public Accountants

NOLA 180 d/b/a LANGSTON HUGHES ACADEMY CHARTER SCHOOL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of NOLA 180 d/b/a Langston Hughes Academy Charter School.
2. No significant deficiencies disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of NOLA 180 d/b/a Langston Hughes Academy Charter School, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for NOLA 180 d/b/a Langston Hughes Academy Charter School expresses an unqualified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with Section 510(a) of OMB Circular A-133 reported in this schedule.
7. The programs tested as major programs were the Title I Grants to Local Education Agencies Program (CFDA 84.010) and Child Nutrition Cluster (CFDA 10.555 and 10.559).
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. NOLA 180 d/b/a Langston Hughes Academy Charter School was determined not to be a low risk auditee.
10. A management letter was issued for the year ended June 30, 2011.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None.

C. FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD PROGRAM AUDIT

None.

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2010-1 Improperly Maintaining Important Documentation

During audit testing, there were missing bank statements and other important documentation.

This item was resolved.

2010-2 Lack of Supporting Documentation for Expenses

During audit testing, it was noted that several expenses lacked proper support.

This item was resolved.

2010-3 Missing Property of the School Containing School Information

During the course of the audit, the auditors were notified that a former employee had in her possession a laptop that was property of the School and contained proprietary School information.

Attempts to recover the laptop were not successful, resulting in the loss of the laptop and the information it contained.

While the School may continue attempts to recover the laptop, the matter is considered resolved as an audit finding.

2010-4 Employee Overpaid During Fiscal Year

During the course of the engagement, it was noted that one employee was over paid in the fiscal year and it was not corrected until the following fiscal year.

This item was resolved.

2010-5 Internal Control over Financial Reporting/Misappropriation

The School's procedures relating to the control of expenditures were not followed resulting in a loss from misappropriation of funds.

This item was resolved.

2010-6 Receivables Monitoring

During the testing of receivables, it was noted that a significant portion of outstanding receivables had not been received seven months after the year end date.

This item was resolved.

NOLA 180
D/B/A LANGSTON HUGHES ACADEMY CHARTER SCHOOL
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

2010-7 Board Financial Reports

As a result of turnover in key accounting personnel, financial data was not timely prepared and presented to the Board for their review and analysis, which led to decisions often being made on incomplete data.

This item was resolved.

2010-8 Improper Coding of Expenses

During audit testing, it was noted that many expenses were coded to miscellaneous expense accounts as opposed to a more accurate expense coding.

This item was resolved.

2010-9 Improve Documentation for Meetings of the Board of Directors

During our audit, it was noted that several months did not have documented minutes from the Board meetings.

This item was resolved.

2010-10 Failure to Timely File Audited Financial Statements

Management failed to submit its annual report to the Louisiana Legislative Auditor's Office within six months of the close of its fiscal year.

This item was resolved.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

None.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
NOLA 180 d/b/a Langston Hughes Academy
Charter School
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by NOLA 180 d/b/a Langston Hughes Academy Charter School (the School) and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data for the year ended June 30, 2011, accompanying the annual financial statements of the School and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE) Bulletin. The School is responsible for the performance and statistical data. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule I)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - a. Total General Fund Instructional Expenditures,
 - b. Total General Fund Equipment Expenditures,
 - c. Total Local Taxation Revenue,
 - d. Total Local Earnings on Investment in Real Property,
 - e. Total State Revenue in Lieu of Taxes,
 - f. Nonpublic Textbook Revenue,
 - g. Nonpublic Transportation Revenue.

Findings: No exceptions noted.

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Board of Directors

NOLA 180 d/b/a Langston Hughes Academy Charter School

December 30, 2011

Educational Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to the school board supporting payroll records as of October 1, 2010.
3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.
4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2010 and as reported on the schedule. We traced a sample of 25 employees to the individual's personnel files and determined if the individual's education level was properly classified on the schedule.

Findings: No exceptions noted.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Education Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

Findings: No exceptions noted.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2010 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Findings: No exceptions noted.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as

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Board of Directors

NOLA 180 d/b/a Langston Hughes Academy Charter School

December 30, 2011

reported on the schedule and traced 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and the full-time equivalents were properly included on the schedule.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Findings: No exceptions noted.

Class Size Characteristics (Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We traced a random sample of 10 classes to the October 1, 2010 roll books for those classes and determined that the class was properly classified on the schedule.

Findings: No exceptions noted.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and agreed scores as reported by the testing authority to scores reported in the schedule by the School.

Findings: No exceptions noted.

The iLEAP Test (Schedule 9)

11. We obtained test scores as provided by the testing authority and agreed scores as reported by the testing authority to scores reported in the schedule by the School.

Findings: No exceptions noted.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of NOLA 180 d/b/a Langston Hughes Academy Charter School, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency

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Board of Directors

NOLA 180 d/b/a Langston Hughes Academy Charter School

December 30, 2011

of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

December 30, 2011

A large, stylized handwritten signature in black ink, appearing to read "Erickson, Krentel & Laporte".

Certified Public Accountants

**General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2011**

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$	1,722,123	
Other Instructional Staff Activities		57,425	
Employee Benefits		338,200	
Purchased Professional and Technical Services		194,206	
Instructional Materials and Supplies		227,011	
Instructional Equipment		93,527	
Total Teacher and Student Interaction Activities	\$		2,632,492

Other Instructional Activities 510,171

Pupil Support Activities 94,386
Less: Equipment for Pupil Support Activities -
Net Pupil Support Activities 94,386

Instructional Staff Services 154,990
Less: Equipment for Instructional Staff Services -
Net Instructional Staff Services 154,990

School Administration 1,459,709
Less: Equipment for School Administration -
Net School Administration 1,459,709

Total General Fund Instructional Expenditures \$ 4,851,748

Total General Fund Equipment Expenditures \$ -

Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$	-
Renewable Ad Valorem Tax		-
Debt Service Ad Valorem Tax		-
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes		-
Sales and Use Taxes		-
Total Local Taxation Revenue	\$	-

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property		-
Earnings from Other Real Property		-
Total Local Earnings on Investment in Real Property	\$	-

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$	-
Revenue Sharing - Other Taxes		-
Revenue Sharing - Excess Portion		-
Other Revenue in Lieu of Taxes		-
Total State Revenue in Lieu of Taxes	\$	-

Nonpublic Textbook Revenue \$ -

Nonpublic Transportation Revenue \$ -

(See accountants' report)

Education Levels of Public School Staff

As of October 1, 2010

Category	Full-time Classroom Teachers				Paraprofessionals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0	0%	0	0%	0	0.0%	0	0%
Bachelor's Degree	19	86.4%	12	80.0%	0	0.0%	0	0.0%
Master's Degree	3	13.6%	3	20.0%	0	0.0%	3	100.0%
Master's Degree +30	0	0%	0	0%	0	0.0%	0	0%
Specialist in Education	0	0%	0	0%	0	0.0%	0	0%
Ph.D. or Ed.D.	0	0%	0	0%	0	0.0%	0	0%
Total	22	100%	15	100%	0	0%	3	100%

(See accountants' report)

**Number and Type of Public Schools
For the Year Ended June 30, 2011**

Type	Number
Elementary:	1
Middle/Jr. High	
Secondary	
Combination	
Total	1

(See accountants' report)

**Experience of Public Principals, Assistant Principals
and Full-time Classroom Teachers
As of October 1, 2010**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ yrs.	Total
Assistant Principals	0	0	1	0	0	0	0	1
Principals	0	0	2	0	0	0	0	2
Classroom Teachers	13	5	13	3	2	0	1	37
Total	13	5	16	3	2	0	1	40

(See accountants' report)

**Public School Staff Data
For the Year Ended June 30, 2011**

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Excluding Extra Compensation	48,130.05	48,130.05
Average Classroom Teachers' Salary Including Extra Compensation	48,130.05	48,130.05
Number of Teachers' Full-time Equivalents (FTEs) used in Computation of Average Salaries	38	38

Note: Figures reported include all sources of funding (I/e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation.

(See accountants' report)

Class Size Characteristics
As of October 1, 2010

Langston Hughes Academy								
School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	33.6%	45	57.5%	77	6.0%	8	3%	4
Elementary Activity Classes	16.7%	2	41.7%	5	8.3%	1	33%	4
Middle/Jr. High								
Middle/Jr. High Activity Classes								
High								
High Activity Classes								
Combination								
Combination Activity Classes								

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students.

(See accountants' report)

**Louisiana Educational Assessment Program (LEAP) for the 21st Century
For the Year Ended June 30, 2011**

District Achievement Level Results	English Language Arts								Mathematics							
	2011		2010		2009		2008		2011		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4																
Advanced	0	0%	0	0%	0	0%	0	0%	1	1%	0	0%	0	0%	0	0%
Proficient	7	10%	3	5%	6	9%	2	7%	6	9%	3	5%	1	2%	3	11%
Basic	33	48%	20	31%	24	38%	10	37%	33	48%	22	33%	28	44%	14	52%
Approaching Basic	20	29%	22	34%	23	36%	8	30%	17	25%	20	30%	26	41%	7	26%
Unsatisfactory	8	13%	20	31%	11	17%	7	26%	12	17%	21	32%	9	14%	3	11%
Total	69	100%	65	100%	64	100%	27	100%	69	100%	66	100%	64	100%	27	100%

District Achievement Level Results	Science								Social Studies							
	2011		2010		2009		2008		2011		2010		2009		2008	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4																
Advanced	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Proficient	3	4%	1	2%	1	1%	1	4%	3	4%	2	3%	1	1%	0	0%
Basic	37	53%	25	38%	23	34%	5	19%	47	67%	35	53%	28	38%	8	30%
Approaching Basic	21	30%	25	38%	21	31%	11	41%	15	22%	15	23%	22	32%	10	37%
Unsatisfactory	9	13%	15	23%	23	34%	10	37%	5	7%	14	21%	19	26%	9	33%
Total	70	100%	66	100%	68	100%	27	100%	70	100%	66	100%	68	100%	27	100%

District Achievement Level Results	English Language Arts		Mathematics	
	2011		2011	
	Number	Percent	Number	Percent
Grade 8				
Advanced	1	2%	0	0%
Proficient	8	13%	0	0%
Basic	26	43%	38	64%
Approaching Basic	25	42%	13	22%
Unsatisfactory	0	0%	8	14%
Total	60	100%	59	100%

District Achievement Level Results	Science		Social Studies	
	2011		2011	
	Number	Percent	Number	Percent
Grade 8				
Advanced	0	0%	0	0%
Proficient	2	3%	4	7%
Basic	25	42%	40	67%
Approaching Basic	27	45%	15	25%
Unsatisfactory	6	10%	1	2%
Total	60	100%	60	100%

(See accountants' report)

The *iLEAP* Tests

For the Year Ended June 30, 2011

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	1	1%	3	4%	1	1%	1	1%
Mastery	14	20%	9	13%	8	11%	2	3%
Basic	32	45%	32	45%	32	45%	39	55%
Approaching Basic	14	20%	20	28%	21	30%	15	21%
Unsatisfactory	10	14%	7	10%	9	13%	14	20%
Total	71	100%	71	100%	71	100%	71	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	1	2%	1	2%	3	5%
Mastery	7	13%	1	2%	4	7%	6	11%
Basic	12	21%	19	33%	18	28%	26	46%
Approaching Basic	24	43%	14	25%	26	46%	16	28%
Unsatisfactory	13	23%	22	39%	10	18%	6	11%
Total	56	100%	57	100%	57	100%	57	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	2	3%	0	0%	7	12%
Mastery	5	8%	3	5%	6	10%	4	7%
Basic	27	46%	24	40%	25	42%	32	53%
Approaching Basic	19	32%	19	32%	22	37%	12	20%
Unsatisfactory	8	14%	12	20%	7	12%	5	8%
Total	59	100%	60	100%	60	100%	60	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2011		2011		2011		2011	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	2	4%
Mastery	3	6%	2	4%	1	2%	15	28%
Basic	23	45%	29	57%	19	36%	33	62%
Approaching Basic	21	41%	14	27%	22	42%	1	2%
Unsatisfactory	4	8%	6	12%	11	21%	2	4%
Total	51	100%	51	100%	53	100%	53	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

(See accountants' report)

The *ILEAP* Tests

For the Year Ended June 30, 2010

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	1	2%	1	1.6%	1	2%
Mastery	6	10%	1	2%	8	12.9%	3	5%
Basic	27	44%	29	47%	31	50.0%	38	61%
Approaching Basic	19	31%	20	32%	17	27.4%	15	24%
Unsatisfactory	10	16%	11	18%	5	8.1%	5	8%
Total	62	100.0%	62	100%	62	100.0%	62	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	1	2%	2	4%	1	2%	3	6%
Basic	24	47%	25	48%	9	17%	22	42%
Approaching Basic	17	33%	11	21%	33	63%	17	33%
Unsatisfactory	9	18%	14	27%	9	17%	10	19%
Total	51	100%	52	100%	52	100%	52	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	1	2%
Mastery	3	6%	2	4%	2	4%	11	23%
Basic	28	60%	32	67%	20	42%	28	58%
Approaching Basic	14	30%	8	17%	21	44%	5	10%
Unsatisfactory	2	4%	6	13%	5	10%	3	6%
Total	47	100%	48	100%	48	100%	48	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2010		2010		2010		2010	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	0	0%	0	0%	0	0%	4	7%
Mastery	4	7%	5	8%	5	8%	19	31%
Basic	36	59%	30	50%	29	48%	31	51%
Approaching Basic	19	31%	13	22%	25	41%	5	8%
Unsatisfactory	2	3%	12	20%	2	3%	2	3%
Total	61	100%	60	100%	61	100%	61	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

(See accountants' report)

The iLEAP Tests

For the Year Ended June 30, 2009

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	3	5%	3	5%	3	5%	5	8%
Basic	18	30%	22	36%	18	30%	22	37%
Approaching Basic	22	36%	12	20%	28	47%	24	40%
Unsatisfactory	18	30%	24	39%	11	18%	9	15%
Total	61	100%	61	100%	60	100%	60	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	4	10%	2	5%	0	0%	1	2%
Basic	15	37%	14	34%	9	22%	28	63%
Approaching Basic	18	39%	15	37%	20	49%	10	24%
Unsatisfactory	8	15%	10	24%	12	29%	4	10%
Total	41	100%	41	100%	41	100%	41	100%

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2009		2009		2009		2009	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	7	11%	3	5%	1	2%	3	5%
Basic	38	55%	38	53%	24	36%	39	59%
Approaching Basic	18	27%	11	17%	35	53%	17	26%
Unsatisfactory	5	8%	16	24%	6	9%	7	11%
Total	66	100%	66	100%	66	100%	66	100%

Note: Due to rounding, certain percentage totals may not equal 100%.

(See accountants' report)

The *iLEAP* Tests

For the Year Ended June 30, 2008

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2008		2008		2008		2008	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	0	0%	0	0%	0	0%	0	0%
Mastery	2	3%	3	5%	0	0%	0	0%
Basic	28	42%	25	38%	19	29%	26	39%
Approaching Basic	18	27%	14	21%	28	42%	24	36%
Unsatisfactory	18	27%	24	36%	19	29%	16	24%
Total	66	100%	66	100%	66	100%	66	100%

(See accountants' report)

CORRECTIVE ACTION PLAN

December 30, 2011

Louisiana Legislative Auditor

NOLA 180 d/b/a Langston Hughes Academy respectfully submits the following corrective action plan for the year ended June 30, 2011.

Name and address of independent public accounting firm:

Ericksen, Krentel & LaPorte, L.L.P.
4227 Canal Street
New Orleans, Louisiana 70119
Contact: Ronald H. Dawson, Jr.

Audit Period: 07/01/10 to 06/30/11

The finding from the December 30, 2011 management letter is discussed below. The finding is numbered consistently with the number assigned in the management letter.

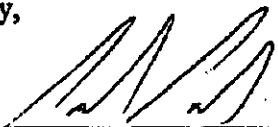
2011-1 Use a Separate Payroll Bank Account

Recommendation: The School should establish an imprest "zero balance" payroll cash account.

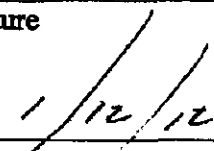
Response: The School will setup an imprest "zero balance" payroll cash account.

If there are any questions regarding this plan, please contact Paul Pechon (504)831-4949.

Sincerely,



Signature



Title

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - DECEASED

MANAGEMENT LETTER

December 30, 2011

To Board of Directors of
NOLA 180 d/b/a Langston Hughes
Academy Charter School
New Orleans, Louisiana

In planning and performing our audit of the financial statements of NOLA 180 d/b/a Langston Hughes Academy Charter School (the School), for the year ended June 30, 2011, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of an opportunity for strengthening internal controls and operating efficiencies. This letter summarizes our comment regarding this matter. This letter does not affect our report dated December 30, 2011, on the financial statements of the School.

The following item was noted:

2011-1 Use a Separate Payroll Bank Account

At present, the School does not use a separate bank account for payroll. Instead, the employee payroll is disbursed from the operating account. We recommend that the School establish an imprest "zero balance" payroll cash account, whereby the account is kept at a zero balance and transfers are made from the operating account as needed to cover the amount of the payroll and payroll taxes. Having an imprest payroll account would limit access to the main operating account for both the payroll service center and employees.

We will review the status of these comments during our next audit engagement. We have already discussed these comments with management, and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.



Certified Public Accountants